

CHAPTER 81-02.1-03
PROPERTY EXEMPT FROM AD VALOREM PROPERTY TAX

Section

81-02.1-03-01

Definitions

81-02.1-03-02

Requirements for Property Tax Exemption

81-02.1-03-01. Definitions. As used in this chapter and for the administration of the ad valorem property tax exemption set out in North Dakota Century Code sections 57-51-03 and 57-51-04, unless the context otherwise requires:

1. "Point of measurement as to quantity and testing as to quality" means the earliest possible point after oil or gas is brought to the surface at which it is both feasible and reasonable to measure.
2. "Producing well" means a well which is producing oil or gas or which has produced oil or gas at some time within the last twelve months prior to the assessment date of January first for centrally assessed property or February first for locally assessed property.
3. "Production" means the act of bringing oil or gas to the surface and to the point of measurement as to quantity and testing as to quality.

History: Effective January 1, 1989.

General Authority: NDCC 57-51-21

Law Implemented: NDCC 57-51-03, 57-51-04

81-02.1-03-02. Requirements for property tax exemption. To be exempt from ad valorem property tax, property must meet all of the following conditions:

1. Property must be used in the actual production of oil or gas.
2. Property must be at the site of a producing well. Property is considered to be at the site of a producing well if it is used prior to the first point at which it is both feasible and reasonable to measure, or point of sale, whichever is first.
3. Property must be necessary, but need not be indispensable, to the production of oil or gas.

History: Effective January 1, 1989.

General Authority: NDCC 57-51-21

Law Implemented: NDCC 57-51-03, 57-51-04